



Update on For-Profit Institutions in Indiana

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Indiana For-Profit Institutions: Campuses and Enrollments

- 24 institutions with 52 campuses
- 8 of the 24 institutions have headquarters in Indiana, e.g. American College of Education (ACE), Harrison College, and ITT Technical Institute
- Indiana enrollment, including out-of-state distance education students: 32,602
- Estimated Indiana enrollment, less out-of-state distance education students for ACE & ITT: 18,000



Indiana For-Profit Institutions: Significant Closures since 2014

- Indiana Dabney University
- Everest College (a Corinthian College)
- Brown Mackie College
- Medtech College
- ITT Technical Institute



Indiana For-Profit Institutions: Number Accredited by Each Accrediting Body

Regionally Accredited (HLC, SASCS, WASC)	7
Accrediting Bureau of Health Education Schools (ABHES):	2
Accrediting Commission of Career Schools and Colleges (ACCSC):	2
Accrediting Council for Independent Colleges and Schools (ACICS):	11
Specialized (COMTA):	1
<u>Seeking Accreditation</u>	<u>1</u>
Total	24



Update on Medtech: Key Steps Leading to Closure

- US DOE review earlier this year found significant inaccuracies in job placement data
- US DOE requires the posting of a Letter of Credit for over \$36M representing 80% of Title IV federal student funds received by the College
- ACICS makes unannounced site visit



Update on Medtech: Harrison College Transition Plan

- With one exception, students enrolled in Medtech programs can transition into similar Harrison programs
- The exception, the AAS in Practical Nursing, will need to be approved by BPE and the State Board of Nursing
- Harrison is charging students the same tuition charged by Medtech



Update on Medtech: Financial Aspects of Closure - 1

US DOE Discussions with States with Medtech Campuses:

- District of Columbia
- Indiana (Fort Wayne, Greenwood, Indianapolis)
- Kentucky (Louisville)
- Maryland (Silver Spring)
- Virginia (Falls Church)



Update on Medtech: Financial Aspects of Closure - 2

- US DOE likely to forgive Title IV loans
- US DOE will collect on a \$9.8 M Letter of Credit
- Unclear if self-pay students will be compensated from the \$9.8 M
- Indiana self-pay students paid a total of \$240 K to Medtech
- Approximate Assurance Fund balance available to students: \$635 K



Update on ITT:

Key Steps Leading to Closure - 1

- August 2014 - US DOE cites ITT for late submission of annual compliance audits and audited financial statements
- December 2015 - US DOE requires ITT to maintain a Letter of Credit for \$80 M
- April 2016 - ACICS issues Show-Cause Directive Letter requiring corrective actions in areas, such as instruction, job placement data, financial condition, retention rates



Update on ITT:

Key Steps Leading to Closure - 2

- June 2016 - US DOE increases Letter of Credit to \$123 M
- August 2016
 - ✓ ACICS continues Show-Cause Directive Letter
 - ✓ US DOE increases Letter of Credit to \$247 M, representing 40% of Title IV federal student funds received by ITT
 - ✓ ACICS makes unannounced visit to campuses



Update on ITT: Events This Week

- ITT announces on Tuesday it is closing
- All ITT students receive an e-mail that includes a list of apparent articulation agreements and instructions to apply for discharge of student loans
- Other specific details about closure, e.g. how long distance education instruction will continue, are still being discussed



Improvements Needed – 1: The Triad

- Better functioning Triad (federal government, states, and accreditors)
- Federal government needs to develop ongoing working relationships with states, including data sharing, not just in crisis mode
- States and accreditors need to work more closely together, including data sharing



Improvements Needed – 2:

CHEDSS Data

- Complete collection of unit record data from for-profit institutions as part of CHEDSS:
 - ✓ Academic Program Inventory (API) already in CHEDSS for all for-profit institutions
 - ✓ Data already collected from one for-profit institution, with four more in process
 - ✓ Incorporate for-profit institutions in CHE reports, including Completion and ROI



Improvements Needed – 3: State Collaboration and Surveys

- Replicate analysis of nursing licensure pass rates for other licensed fields; share findings
- Involve staff from licensing boards in the analysis and oversight of programs at for-profit institutions that prepare for licensure
- Survey alumni of for-profit institutions and their employers on job satisfaction



Improvements Needed – 4:

Financial Metrics and Student Records

- Working with the federal government and accrediting bodies, develop better metrics for determining institutional financial health
- Better utilize financial instruments (e.g. Letters of Credit, surety bonds) to protect students from institutional closures
- Require students records that meet national standards as a condition for state authorization



Improvements Needed – 5: Alternative Approaches and Programs

- Develop MCMC bridge program for veterans in the public and non-profit sectors (many veterans attend for-profit institutions)
- Provide better PLA opportunities for students to transition from for-profit institutions without losing all their credits
- Withdraw eligibility for state financial aid for institutions or programs performing poorly

